

**From:** MARGARET HERRING  
**To:** RTPMAINHUB.INTERNET.NASH-THOMAS, MASSENBURG-GWENDO...  
**Date:** 2/4/00 4:51pm  
**Subject:** CRS -- Shagena Interview and 104(e)

1.. Attached is the write-up of the Shagena interview that Reg as=and I prepared. This is the final draft and it incorporates the notes that each of us took.

Note that to date Shagena has not called Reg to let him know the results of his last search for the customer list.

2.. Also attached are the site history and the questions for CRS-MI (Shagena), Michigan/Wayne Disposal and the accounting firm.

Please give them a final review so that they can go into the mail. If you want changes in either, send Deena Sheppard a LAN message. As soon as Tom gives the o.k. the 104(e)s can go into sign-off.

I will be out of the office 2/07 through 2/11. Back on Valentine's Day. I am leaving an extended absence greeting on my phone, but I will return any calls about CRS. Leave me your number and the dates and times at which I can reach you.

Margaret 6-6239

**CC:** RTPMAINHUB.INTERNET.MARKS-THOMAS



## **Attachment 1 SITE HISTORY**

The Chemical Recovery Systems Site ("CRS Site") is located at 142 Locust Street in Elyria, Ohio. The CRS Site is bordered on the west by the East Branch of the Black River, to the north and east by the Engelhard (formerly Harshaw) Chemical Company, and to the south by M&M Aluminum Siding Company. The CRS Site is located in a predominantly industrial and commercial area near the central business district of Elyria. The CRS Site consists of a four acre parcel that is currently leased to M&M Aluminum which uses the Site property to store aluminum siding. Most of the four acre parcel is empty. Two buildings are currently on the CRS Site: a former warehouse and office building and the masonry shell of a building that housed a Rodney Hunt still. These buildings are located in the southeast corner of the CRS Site. The foundation of a building that housed a Brighton still is located in the northeast corner of the CRS Site. The Site is fenced on all sides except the side bounded by the East Branch of the Black River.

Beginning no later than the 1940s the CRS Site was used for commercial and industrial purposes such as a coal yard. During the 1950s, Harshaw Chemical briefly leased the CRS Site to store saggars. In 1960, Russell Obitts leased the CRS Site property and relocated his existing business, the Obitts Chemical Company, which reclaimed spent organic solvents, to the CRS Site property. Later Russell Obitts and Dorothy Obitts purchased this property.

In 1974, Chemical Recovery Systems, Inc., a Michigan corporation ("CRS, Inc., - MI"), assumed operations at the CRS Site through a stock purchase agreement with the Obitts Chemical Company. In a separate agreement CRS, Inc., - MI leased the CRS Site property from Russell Obitts and Dorothy Obitts in a lease agreement with an option to purchase. A year later CRS, Inc., - MI exercised its purchase option. CRS, Inc., - MI continued operations at the CRS Site until 1981.

Operating as Obitts Chemical Company and then as CRS, Inc., - MI the facility located on the Site received spent organic solvents from industrial facilities and reclaimed the solvents through distillation processes. Both operators hauled contaminated solvents to the Site facility by their own tanker trucks and stake trucks hauling 55 gallon drums. Spent solvents were stored in above ground tanks and 55 gallon drums. Soil contamination occurred through leakage and spills. Spent solvents that were transported to the CRS Site include, but are not limited to, the following: acetone, hexane, isopropyl alcohol, methylene ethyl ketone (MEK), tetrachloroethane, toluene, trichloroethane, and xylene. Analysis of samples that U.S. Environmental Protection Agency ("U.S. EPA") collected on November 26, 1979, at the CRS Site detected PCE, ethyl benzene, and naphthalene. A solvent sample collected on February 5, 1980 contained toluene, ethyl benzene, xylene, and naphthalene. During a visit on February 5, 1980, by U.S. EPA to the CRS Site an employee of the facility identified specific solvents reclaimed as well as paint solvents generally.

Because the CRS Site posed imminent danger to the local population and the environment, U.S. EPA initiated an action under the Resource Recovery and Conservation Act ("RCRA").

On October 7, 1980, the U.S. Department of Justice ("U.S. DOJ"), on behalf of U.S. EPA, filed an action against CRS, Inc., - MI in the U.S. District Court, Northern District of Ohio, to abate an imminent and substantial endangerment to public health and the environment from the CRS Site.

On July 12, 1983, The District Court entered a Consent Decree that required CRS, Inc., - MI to take these and other actions: excavate all visibly contaminated soils identified during a joint U.S. EPA and CRS, Inc., - MI inspection; excavate the perimeter of the Brighton still to a specified depth and distance; dispose of the excavated soil at an approved waste disposal site; backfill the excavated areas; and grade the CRS Site. After its inspection of the CRS Site

November 7, 1983, U.S. EPA concluded that CRS, Inc., - MI was in compliance with the July 12, 1983 Consent Decree.

Because hazardous substances released at the CRS-Site remain in the soil and groundwater at elevated levels, U.S. EPA is now taking response actions, under the authority of Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and its amendments. These actions address potential risk to human health and the environment at the CRS Site.

## **Attachment 2**

### **QUESTIONS**

1. Identify all persons consulted in the preparation of the answers to these questions.
2. Identify all documents consulted, examined, or referral to in the preparation of the answers to these questions and provide copies of all such documents.
3. If you have reason to believe that there may be persons able to provide a more detailed or complete response to any question or who may be able to provide additional responsive documents, identify such persons. For each individual identified in response to this question provide the current, or the most recently known, address, telephone number, and e-mail address.
4. List the EPA Identification Numbers of the Respondent.
5. Identify the acts or omissions of any person, other than your employees, contractors, or agents, that may have caused the release or threat of release at the CRS- Elyria Site of hazardous substances, pollutants, or contaminants and damages resulting therefrom.  
n.b. Omit 5 for the accounting firm.
6. Identify all persons including respondent's employees, who have knowledge or information about the customers of the Chemical Recovery Services, Inc., or the generation, use, treatment, storage, disposal or other handling of material at or transportation of materials to the CRS-Elyria Site.
7. Specify the dates during which the Respondent engaged in any of the following activities:
  - a) Ownership of all or any portion of the CRS-Elyria Site;
  - b) Generation of hazardous materials which were potentially or ultimately recycled or disposed of at the CRS-Elyria Site;
  - c) Transportation of any material to the CRS-Elyria Site;
  - d) Operation of the CRS-Elyria Site
8. Identify any and all companies, firms, facilities and individuals who supplied materials containing the hazardous substances for use or processing at the CRS-Elyria Site.
9. Identify any and all companies or persons whose chemicals, hazardous wastes, hazardous substances or other materials have ever been treated, stored, or disposed of at the CRS-Elyria Site, including information regarding the following:

- a. Location and address of each such company or person who sent such materials, including contact person(s) within said companies;
- b. Shipping records pertaining to such materials sent by each such company or person, including but not limited to invoices, bills of lading, weight tickets, and purchase orders; and
- c. Identification and location of all companies and individuals who transported said materials.
- d. Provide copies of any and all records on which the responses to parts a through c are based.

10. Provide a copy of all minutes of the meetings of the Board of Directors, Executive Committee, Finance Committee, Management Committee and all other committees which the Respondent may have, from the 1960 to the present that relate to the operation of the CRS-Elyria facility or that identify its customers or suppliers.

11. Identify all meetings and communications which the officers, directors, or employees of Chemical Recovery Systems, Inc., a Michigan corporation, participated in or attended regarding the operations of the CRS-Elyria Site facility.

12. Identify what, if any, reports, statements, or other documents the officers or directors of the respondent wrote or received regarding the operations of the CRS-Elyria Site and describe what, if any, information the officers and directors received concerning the operations of the facility.

13. Provide a copy of any and all bookkeeping records of the Chemical Recovery Services facility located in Elyria, Ohio for the period 1974 through 1985 including, but not limited to, those were turned over to the firm of Jenkins, Eschman and Magnus, Bloomfield Hills, Michigan. In addition, provide the following:

- a. the document retention policy of Chemical Recovery Systems, Inc., a Michigan corporation, between January 1, 1974 and the present.
- b. the name, job title and most current address known by you of the person(s) who would have produced these documents, the person(s) who would have been responsible for the retention of these documents; and the person(s) who had and/or still may have the originals or copies of these documents.
- c. the names and most current address of any person(s) or entity which may possess documents relevant to this inquiry.

14. To the extent that you know, describe the relationship between Jenkins, Eschman and Magnus and CRS, Inc., a Michigan corporation.

## MEMORANDUM of Interview

Site: Chemical Recovery Systems, Inc.  
124 Locust Street  
Elyria, Ohio

Date: February 3, 2000

From: Reginald Arkell, Civil Investigator  
Margaret Herring, Civil Investigator

To: File

Date and Time of Interview: January 21, 2000, 9:00 a.m.

Interview Subject: Peter Shagena  
8060 Rutherford  
Detroit, Michigan 48228  
Telephone: 313 581-4300

Peter Shagena met with Reginald Arkell and Margaret Herring, Civil Investigators, at the Doubletree Guest Suites Hotel, 28100 Franklin Road, Southfield, Michigan. The interview began at 9:00 a.m. and ended at 11:15 a.m. Peter Shagena was the President of Chemical Recovery Systems, Inc., a Michigan corporation ("CRS-MI"), the parent company of Chemical Recovery Systems, Inc. ("CRS -OH") which operated the Site facility in Elyria, Ohio during about the mid 1970s to early 1980s.

Shagena (pronounced Shag-nee) immediately asked why the CRS-OH Site in Elyria had the attention of U.S. EPA. Shagena said that the firm had cooperated with U.S. EPA, removing tanks, drums, and contaminated soil during the early 1980s, when the agency sued the Ohio firm in a RCRA action. Herring gave Shagena a copy of the *Site Team Evaluation Prioritization (STEP) Report* for Chemical Recovery Systems, Inc., Elyria, Ohio, dated September 29, 1997, that the Division of Emergency & Remedial Response, Ohio Environmental Protection Agency had prepared. Herring told Shagena that the report included information about recent sampling and the analysis of those samples. Shagena asked where the sampling was done. Herring responded that monitoring wells had been drilled on the CRS Site at the time of the RCRA action. Samples for analysis were drawn from several of those wells. Both Herring and Arkell said that they could not respond to technical questions, but would refer any to the Remedial Project Manager. Shagena said that he would review the report and may have questions later.

### EDUCATION AND BACKGROUND

Peter Shagena has a degree in chemistry. He worked for a year in the chemistry labs of Chrysler beginning about 1960. He then served two years active duty in the military. After being discharged Mr. Shagena worked about two years for Allied Chemical in its plant in River Rouge, Michigan. This plant manufactured sulfuric acid, alum, and small quantities of several other

industrial chemicals. He said the facility was small enough that it provided junior professional staff every type of work and responsibility. Shagena specified that he worked in quality control and technical services.

While working in the early 1960s, Shagena was enrolled in a combined masters and doctorate program in chemistry. He did not complete the program because of family responsibilities. He was married with three children three years of age or younger.

Shagena is currently semi-retired but he does own a business called PTM Enterprises.

### **NOLWOOD CHEMICAL**

Shagena said that, in the 1960s, he had come to know Chuck Nolton and Art McWood who owned Nolwood Chemical Company ("Nolwood"), a distributor of industrial chemicals. Nolwood is a compound of their surnames. Nolton and McWood invited Shagena to join them in Nolwood. At the beginning, Shagena's ownership interest was not as large as that of Nolton and McWood, but eventually the three men became equal partners. Shagena handled the technical work for Nolwood. He did all the engineering. He selected tanks and equipment and oversaw their installation and operation.

Shagena could not recall whether Nolwood was a partnership or a corporation. Nolwood employed 50 or so employees when it was sold to PVS, Inc., (formerly Pressure Vessel Systems, Inc.) In the late 1980s. Shagena said that both Chuck Nolton and Art McWood were somewhat older than he. They retired when the business was sold. According to Shagena, Nolwood had Superfund liability at a drum recycling facility. Nolwood reached an agreement with U.S. EPA about the amount that it would pay toward cleanup costs and it paid this off over several years.

### **CHEMICAL RECOVERY SYSTEMS, INC., A MICHIGAN CORPORATION**

Shagena said that, in the early 1970s recycling chemicals appeared to be poised for growth as the environmental movement grew rapidly. Companies were looking for recycling services. At about this time, Cam-Chem Company in Romulus, Michigan, operated as a solvent recycler. In 1971 or 1972 Nolwood purchased Cam-Chem Company and the name was changed to CRS-MI.

Shagena was unable to say if CRS-MI was a wholly owned subsidiary of Nolwood, if stock was issued, or if he, Nolton, and McWood had owned the business directly. Shagena said that the accountants would know the form of ownership. The accounting firm used by CRS-MI was Jenkins, Magnus and Eschman. Al Magnus and Ken Volk were the specific accountants. Both are now retired. Shagena firmly said that Nolwood and CRS-MI had operated completely independently of one another. They had separate bank accounts and separate management. Nolwood distributed chemicals. CRS-MI recycled contaminated industrial solvents. Shagena was president of CRS-MI. Joe Heimbuch was involved in sales and eventually became a vice-president of CRS-MI. Mike Percival was a "jack of all trades" with CRS-MI.

Shagena said that the condition of the Romulus facility at the time of its purchase was typical of the condition of such facilities at that time. Operators then were not concerned with housekeeping. Shagena said housekeeping provisions typically included: storing drums on cement pads rather than on the ground; maintaining dikes around storage areas, tanks, stills and equipment; making provisions to collect and dispose of spilled chemicals; and safety equipment for employees. He said the CRS-MI facility was in excellent condition by the time it was sold. Shagena characterized the facility's condition by stating it was "as good as any facility of similar size" in the country.

Shagena stated that records of CRS-MI, including customer lists, have probably been discarded. If they exist, annual reports and tax returns of CRS - MI would be in the files of the accounting firm.

Shagena stated that CRS-MI was sold to Michigan /Wayne Disposal Group about the same time that Nolwood was sold to PVS in the late 1980s. CRS-MI employed about 25 people at the time of the sale. Shagena said CRS-MI had shipped a lot of still bottoms to an incinerator which mixed them with general waste. He did not give the name of the incinerator. He said that still bottoms, resulting from used solvent distillation, are valuable because they can be used as a fuel. The solvents are volatile and flammable. Michigan/Wayne Disposal was interested in purchasing CRS-MI for this purpose. He said Michigan/Wayne Disposal had a contract to sell still bottoms to St Mary's Peerless Cement which used them while manufacturing cement. Michigan/Wayne Disposal had the contract with St Mary's in 1987 but did not have a facility to produce the still bottoms. It was easier for Michigan/Wayne Disposal to purchase CRS-MI to assure a supply of still bottoms than to find other sources or to erect a solvent recycling facility and develop accounts.

Shagena said CRS-MI made some profit, but not a lot. It processed 50,000 to 60,000 drums of contaminated solvents per year. When Shagena, Nolton, and McWood acquired the Romulus facility from Cam-Chem, there were waste lagoons on the property and drums were stored on the ground. By the time they sold the Romulus facility to Michigan/Wayne Disposal, the lagoons had been eliminated, all drums were stored on cement pads, and the entire facility had been cleaned up. Shagena does not know the net worth of the facility at the time of the sale.

The accounting firm should have this information. Shagena questioned the relevance of the financial conditions of CRS-MI and/or Nolwood to cleanup of the Site facility. Herring advised that, according to CERCLA, it is possible for parent companies to be held liable for cleanup costs. Shagena stated that CRS-MI has been involved in several Superfund sites in Michigan. It has contributed to cleanup costs at a site on 23 Mile Road in Utica [Possibly *Ramona Park Landfill* in Utica.]. He said CRS-MI is involved in a site known as Liquid Waste Disposal. Shagena does not know the location of this site but identified the government attorney involved as Sue Sadler.

Shagena said that CRS-MI is not operating but has not been dissolved. It holds money from the purchase price which is earmarked for possible Superfund liability at the Liquid Waste Disposal Site. He said there was not much money left after the corporation's outstanding debts were paid. These included loans from a bank and from the Small Business Administration.

## **CHEMICAL RECOVERY SYSTEMS, INC., AN OHIO CORPORATION**

### **Acquisition of Obitts Chemical Company**

Shagena said that Dick Johnson worked for CRS-MI in a management capacity. Dick Johnson knew of Obitts Chemical Company, a solvent recycler in Elyria, Ohio. Dick Johnson brought the Obitts Chemical Company to the attention of Shagena, Nolton, and McWood. There were indications that Russell Obitts was in poor health and was interested in selling his business. Shagena did not know if Russell Obitts had a business partner. Shagena was asked about Chemical Services Corp., a second company sold to CRS - MI according to the *Stock Purchase Agreement*, dated January 1, 1974. Shagena said he could not provide any information about this second company and acknowledged that Russell Obitts could have operated two companies at the Site prior to the sale. He did not know if Russell Obitts or Obitts Chemical Company had any outstanding encumbrances. Shagena reiterated that recycling of industrial solvents appeared to be a promising business in the early 1970s. This was a significant reason why Obitts Chemical Company was purchased.

Shagena did not remember terms and approximate date CRS-MI purchased the Obitts Chemical Company. He stated that anything he said about this would be speculation. He said that the sale price was paid over a period of time, like a retirement plan. At the end of the interview, Shagena examined a copy of the agreement between CRS-MI and Russell and Dorothy Obitts for the purchase of the Obitts Chemical Company. Shagena said that the signature (Pete Shagena) on this copy was not his. It is not his handwriting and he would have signed *Peter Shagena* or *Peter J. Shagena*.

Shagena said that, at about the time of purchase, CRS-OH was set up by CRS-MI as a separate corporation in Ohio to operate the Site facility. When asked if there was any relationship between the CRS-MI and CRS-OH operations, Shagena responded that there was none. They had separate customers, bank accounts, and bookkeeping records.

However, he acknowledged that CRS-OH was a wholly owned subsidiary of CRS-MI. CRS-MI owned all of the stock of CRS-OH. Shagena said that CRS-MI did not purchase the property on which the Obitts Chemical Company operated. He believes CRS-OH leased the Elyria facility property from Russell and Dorothy Obitts and monthly payments were made to them. He said the Elyria facility operated as CRS-OH for about four to six years. Shagena said that CRS-MI kept the Obitts Chemical Company employees at the Site facility after the acquisition. Russell Obitts did little, if any, work for CRS-OH after the sale. Essentially, CRS-MI and/or CRS-OH provided finances for the retirement fund of Russell Obitts.

Shagena said that Dick Johnson, who remained for a time at the CRS-MI facility, maintained day to day contact with Jim Freeman regarding CRS-OH operations. Dick Johnson would visit the Site facility about once a month. Dick Johnson had worked with Jim Freeman at Ashland Chemical. Dick Johnson brought Jim Freeman to the attention of CRS-MI and recommended him to be manager and president of the CRS-OH facility. Dick Johnson hired Jim Freeman with the approval of Shagena. Shagena said that he maintained contact with Jim Freeman several times a week concerning CRS-OH operations after Dick Johnson left.

Shagena stated that the Site facility occupied about three acres. The buildings took up no more than half an acre of the property. He said conditions at the Site facility during the time CRS-MI purchased Obitts Chemical Company were typical of other facilities back then, shitty, by today's standards. Housekeeping was not good. For example, drums stored directly on the ground were leaking. Shagena noted that it was not until 1983, '84, '85 that operators were aware of RCRA requirements and ran their facilities to meet acceptable standards.

Shagena said CRS-MI closed down CRS-OH in about 1980 when the Site facility was required to apply for a Part B license under RCRA. The cost of compliance with the statute was high and environmental insurance premiums were rapidly increasing. It was cheaper to operate just the one facility (CRS-MI). He said the Elyria facility was really not profitable before these additional costs were incurred. Russell and Dorothy Obitts took over and maintained possession of the Site property. Shagena understood that a junkyard wanted to purchase the property but this never materialized.

### **Corporate Formalities**

Shagena stated that David Long is an Ohio attorney who was hired by Jim Freeman at some point to represent CRS-OH. Shagena said that David Long probably handled the filing of corporate records, amendments, and any annual reports and may have these records in addition to bylaws and minutes of annual meetings. He said U.S. EPA can ask the him for these. Shagena said that CRS-OH indeed had bylaws and annual or regular meetings of its board of directors in which minutes would have been taken. He said that he, Dick Johnson, and Jim Freeman would have attended such meetings in Ohio.

The attorney probably was present. Initially, Shagena did not remember if the attorney or Carol Oliver took minutes of the meetings and hypothesized that it was probably the attorney. Later in the interview, Shagena said either the attorney or one of the men would have taken minutes of the meetings, not Carol Oliver. He said all corporate records would have been boxed up and transferred to CRS-MI after the Site facility shut down.

Shagena stated that CRS-OH did not make financial distributions as the corporation spent more than it made. This was one of the reasons the Site facility was shut down. He did not believe that significant bonuses, if any, were given to CRS-OH employees.

### **Finances**

Shagena said that CRS-OH had a line of credit set up by Jim Freeman and Dick Johnson at an unknown Elyria bank. Funds were used to improve operations and purchase equipment. Jim Freeman and Dick Johnson would have drawn on the line of credit. He said any records of these loans would be in the same place as any remaining CRS-OH records. CRS-OH maintained a business checking account at the same bank. Shagena said that Jim Freeman would have signed checks for accounts payable and employees pay. Both Dick Johnson and Shagena probably would also have been authorized to sign on the CRS-OH bank accounts.

According to Shagena, CRS-MI put a lot of money into CRS-OH to improve operations and purchase equipment. These transactions would have appeared in the accounting records of both companies. Shagena said that he, Jim Freeman, and Dick Johnson would have known about and authorized these financial transfers. He said improvements were necessary and the money had to come from somewhere.

Shagena was asked to explain factors that led to closure of the CRS-OH Site facility. He responded: the facility was not profitable; RCRA required an application for a Part B transporters license and there were costs associated with meeting requirements; and premiums for pollution liability insurance rose quickly. Shagena said the facility did not make money, however, CRS-OH did not go bankrupt. Equipment was sold or salvaged when the facility closed. He said none of the equipment was sent to the Michigan facility.

Shagena said he did not know what the records retention policy of CRS - OH was. He said a certified audit was never conducted of CRS-OH bookkeeping records. Carol Oliver's bookkeeping records were sent to the accountants who compiled annual or quarterly statements. No one reviewed these bookkeeping records before they were sent to the accountants as Carol Oliver was very sharp. He said that no more than one set of bookkeeping and accounting records, apart from duplicates, would have been made. They generally knew what went in and what went out. Shagena said that CRS-OH was a small facility. It was easy to know the financial status of the business.

However, he said he could not estimate the net worth or annual sales volume of CRS-OH and reiterated that the company did not make money. He said the facility did not deal in cash except for petty cash.

Shagena stated that Carol Oliver only did company financial bookkeeping for CRS-OH and not personal bookkeeping for any employees. He is not aware of any loans that CRS-OH may have made to an officer or employee of the corporation or vice versa.

### **Customer Records**

Shagena said that he had not located customer records of CRS-OH. He said the accounting firm, Jenkins, Magnus and Eschman, no longer has any such records of the Ohio corporation, although he thought it was possible that a separate, unknown Ohio accounting firm may have handled the CRS-OH facility. He had one more place to look, which he would search on the weekend. Shagena refused to specify the location that he would search. He said he would call CI Arkell to let him know if he located these records. As of February 4, 2000, Shagena has not made contact with either of the investigators.

Shagena stated that, after the CRS-OH facility closed down, its records were transferred to CRS-MI in Romulus. These records were retained at the Romulus facility for quite a long time. The records of the Ohio corporation were transferred to rented storage space when Shagena and his partners sold CRS-MI. Shagena cannot recall any inquiry about these records. He believes that the CRS-OH records were eventually discarded about five or six years ago. However, he may have retained the ledger listing customers of the Obitts Chemical Company.

Shagena said that he could not positively identify any customers of the CRS-OH facility. He suggested that paint and automotive companies in the area were probably customers. Shagena indicated that these probably included both General Motors and Ford because both were in the area, however, he could not be certain. Shagena estimated the number of customers at the Elyria facility as more than ten and less than a hundred. Shagena said that Obitts Chemical Company customer records were maintained at the Site facility after the creation of CRS-OH. A secretary in the office of the Obitts Chemical Company maintained a record of customers in a bound ledger. Her handwriting was perfect, just like that taught in grade school. CI Arkell asked Shagena if Carol Oliver was the secretary who maintained the ledger. Shagena responded that she may have been.

### **Employees**

Shagena reiterated that Jim Freeman was President of the CRS-OH facility and oversaw operations. Jim Jackson was the plant manager under him. Bob Spears was the operations foreman under Jim Jackson. Shagena does not know how to contact Bob Spears and suggested checking with Jim Freeman.

Arkell asked Shagena if he recognized the individuals below as employees of CRS-OH and if he knew how they might be located (The name is followed by Shagena's response). Shagena could not provide information concerning their whereabouts.

Bill Crosby - Possibly a salesman

Don Matthews - Truck driver

Frank Hart - Truck driver, a free spirit

Forrest Hampton - If he was called Junior, the name sounds familiar.

Ted Poole - No memory

Tex White - No memory

Ty St Cyr - No memory

### **Hazardous Materials and Waste Management**

Shagena said that responsibility for management and handling of hazardous materials at the CRS-OH facility would have rested with Jim Jackson, however, Jim Freeman would also have been responsible. Both CRS-MI and CRS-OH processed/recycled high end boiling solvents which typically contained paint pigments such as titanium dioxide. Neither facility handled machine oils. Shagena stated that hazardous materials were usually transported both from and to customers by CRS-OH. Although, he said there were times when contractors were used. He could not say if CRS-OH had regular routes.

Shagena said that Ross Incineration contracted with CRS-OH to collect sludges or still bottoms generated. He said there were other unknown facilities that accepted certain still bottoms that Ross Incineration would not accept. The facility in Romulus also would have used other facilities for this. He said the still bottoms were valuable because of its BTUs. Shagena stated that the stills at a recycling facility must be cleaned periodically. The practice was to load solvents into the still and let it soak overnight or for a day. This is like soaking a dirty pan overnight in a kitchen sink. Shagena said the solvent and the contaminants are drawn off and some of the solvent is removed by means of distillation. Some solvent is left with the contaminants so that the still bottoms can be moved from tanks or through pipes. The still bottoms have value because the solvents can be burnt.

Shagena said that he is not the person to ask about maintenance at the Site facility. Jim Jackson was the designated person responsible for maintenance there. Shagena said there were problems with maintenance because the equipment purchased from Obitts Chemical Company was not good.

In response to a question about the extent of the remaining contamination and its causes, Shagena said that there were leaks and spills at the Site facility. He said it was highly probable that these problems were caused by or during: bungs not tight on drums; drums corroding and rusting during long term storage; and transfers of materials between tank trucks, drums, distillation operations, and storage tanks. Shagena said CRS-OH used tanker trucks for short term and not long term storage.

Shagena said that if there were leaking pipes in the equipment or if drums at the Site facility leaked while CRS-OH was in operation, the condition would have been corrected and things cleaned up. CRS-OH poured concrete pads and implemented a policy of storing the drums on them. However, Shagena acknowledged that it took years to accomplish these things because of the number of drums on the property when CRS-OH assumed responsibility for operations there. Shagena would not venture a guess as to the number of drums stored on the Site property at the time CRS-MI purchased Obitts Chemical Company. Over time, they were able to reduce the number of drums on the property. He said they did this through processing materials immediately and not placing materials into long term storage. They worked through the backlog of stored drums. Many were leaking because the drums corroded. There was a small warehouse on the Site property where they also stored drums. In time, all drum storage areas were lined and curbed. He denied that CRS-OH bought drums of hazardous materials. Eventually, all storage areas were roofed over. Mr. Shagena said that, eventually, all tanks on the Site property were diked. Shagena does not remember dikes around the drum storage areas. He said there were blind sumps at the buildings which contained spills and pumped them into holding tanks.

Shagena stated that his knowledge of an underground sewer line at the Site property was obtained from U.S. EPA and the Ohio Office of the Attorney General. He said that there was not a hookup to a sewer line on the Site from CRS-OH operations there. He was told that cameras showed that the sewer lines under the Site property were defective and not in good condition.

Shagena said that he was at the CRS-OH facility a few times during the time that it operated as a subsidiary of CRS-MI. Shagena said that he saw green and blue fluids flowing into the Black River from a sewer outflow on the Site property on several occasions. He did not believe this would have been caused by materials CRS-OH would have been handling. Employees at the CRS-OH facility said that the materials came from the Harshaw facility. Shagena said that this was logical because the Harshaw plant surrounded the Site facility on three sides. When asked if other companies could have contributed to the materials flowing from the sewer outflow into the Black River, Shagena said that he does not remember any information about this or know of any other company.

Shagena remembered interfacing with the Ohio Fire Marshal's Office, but he cannot remember the specifics of these contacts. Shagena was asked about several violations documented by this agency, however, he expressed no knowledge or recollection of them. He said the interest of the Fire Marshal was probably related to the fact that CRS-OH handled flammable materials.

Shagena said that CRS-OH did not use a rail spur on the Site property. He cannot recall if Harshaw used this rail spur.